D13

REMARKS

Claims 7-26 were pending in this application.

Claims 14-18, 21, and 22 have been allowed.

Claims 7-13, 19, 20, and 23-26 have been rejected.

Claim 7 has been amended as shown above.

Claims 7-26 remain pending in this application.

Reconsideration and full allowance of Claims 7-26 are respectfully requested.

I. <u>ALLOWABLE CLAIMS</u>

The Applicants thank the Examiner for the indication that Claims 14-18, 21, and 22 are allowable. These claims have not been amended and therefore remain in condition for allowance.

II. OBJECTION TO THE SPECIFICATION

The Office Action objects to the specification as failing to include section headings.

The Applicants again respectfully note that 37 C.F.R. § 1.77(b) and MPEP § 608.01(a) do not require section headings in the specification. For example, both of these fail to state that each lettered item "must" appear as a section heading.

Not only that, the Office Action itself expressly states that the guidelines illustrate the "preferred" (but not required) layout of the specification. The Office Action also expressly states that the guidelines are "suggested" for the Applicants' use. (Office Action, Page 2, Last paragraph).

For these reasons, section headings are not required by either the rules or the MPEP. As a result, the Applicants respectfully decline to add section headings to the specification.

III. REJECTION UNDER 35 U.S.C. § 101

The Office Action rejects Claims 7-13, 19, 20, and 23-25 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. In particular, the Office Action asserts that Claims 7-13, 19, 20, and 23-25 are "not in the useful technical arts" because the claims recite "mathematical subject matter not entitled to patent protection standing alone." (Office Action, Pages 3-4, Section 4).

The Office Action fails to establish that the claimed invention has no "practical application" in the "technological arts." The MPEP specifically requires that a claim must be "devoid of any limitation to a practical application in the technological arts" in order to be rejected under § 101. (MPEP § 2106). The MPEP also specifically requires that the Patent Office show that the claimed invention as a whole is "directed to solely an abstract idea or to manipulation of abstract ideas or does not produce a useful result." (MPEP § 2106). The Office Action does not and cannot satisfy either requirement.

Claims 7 and 23 recite "operating a filter" using calculated filter coefficients "to filter a signal." Operating a filter to filter a signal clearly represents a "practical application" in the "technological arts."

The Office Action states that operating a filter to filter a signal "does not produce a useful result or manipulate data representing physical objects or activities" because "[t]he claimed invention

NO.084

DOCKET NO. NL 000385 (PHIL06-00385) SERIAL NO. 09/897,365 PATENT

has no specific input or output." (Office Action, Page 2, Section 2). There is nothing in § 101 that requires the recitation of an "input" and an "output" in order for a "filter" to represent a "practical application" in the "technological arts."

In fact, the MPEP expressly states that a process claim involving filtering recites patentable subject matter, even though the process claim does not recite an "input" and an "output." The MPEP states that a process that "simply calculates a mathematical algorithm that models noise is nonstatutory." (MPEP § 2106). The MPEP then states that a process for "digitally filtering noise employing the mathematical algorithm is statutory." (MPEP § 2106). As an example, the MPEP notes that the following claim is patentable under § 101:

A digital filtering process for removing noise from a digital signal comprising the steps of calculating a mathematical algorithm to produce a correction signal and subtracting the correction signal from the digital signal to remove the noise.

(MPEP § 2106).

Claims 7 and 23 are clearly not directed to simply a "mathematical algorithm" for calculating filter coefficients. Claims 7 and 23 are specifically directed to processes that involve calculating filter coefficients and then operating filters using those filter coefficients to filter signals. Claims 7 and 23 are therefore similar in nature to the claim expressly identified in the MPEP as being directed to statutory subject matter.

The Office Action fails to establish that operating a filter to filter a signal is a mere "abstract idea." The Office Action also fails to establish that operating a filter to filter a signal does not produce a "useful result." In addition, the Office Action fails to establish that operating a filter to -13-

DOCKET NO. NL 000385 (PHIL06-00385) SERIAL NO. 09/897,365 PATENT

filter a signal does not represent a "practical application" in the "technological arts."

For these reasons, Claims 7 and 23 (and their dependent claims) clearly recite statutory subject matter and are patentable under § 101. Accordingly, the Applicants respectfully request withdrawal of the § 101 rejection and full allowance of Claims 7-13, 19, 20, and 23-25.

IV. <u>CONCLUSION</u>

The Applicants respectfully assert that the claims in this application are in condition for allowance and respectfully request allowance of the claims.

16:48

D17

DOCKET NO. NL 000385 (PHIL06-00385) SERIAL NO. 09/897,365 **PATENT**

SUMMARY

If any outstanding issues remain, or if the Examiner has any further suggestions for expediting allowance of this application, the Applicants respectfully invite the Examiner to contact the undersigned at the telephone number indicated below or at wmunck@davismunck.com.

The Commissioner is hereby authorized to charge any additional fees connected with this communication (including any extension of time fee) or credit any overpayment to Deposit Account No. 50-0208.

Respectfully submitted,

DAVIS MUNCK, P.C.

William A. Munck Registration No. 39,308

Date: (1.2) 2005

P.O. Drawer 800889 Dallas, Texas 75380

Phone: (972) 628-3600 Fax: (972) 628-3616

E-mail: wmunck@davismunck.com

-15-